

SEC Proposes to Rescind Rule 14a-8's "Federal Regulation" of Shareholder Proposals, Amend Rule 14a-4 and Modernize Proxy Solicitations

On September 16, 2026, the U.S. Securities and Exchange Commission (the "SEC") proposed significant changes to the federal proxy rules that, if adopted, would dramatically alter the shareholder proposal and engagement landscape. Under one proposal (the "14a-8 Rescission Proposal"), the SEC would (i) rescind Rule 14a-8 ("Rule 14a-8") under the Securities Exchange Act of 1934 (the "Exchange Act") in its entirety, ending federal regulation as to when a shareholder proposal must be included in a company's proxy statement; and (ii) amend Rule 14a-4 ("Rule 14a-4") under the Exchange Act to expand companies' ability to exercise discretionary voting authority, with respect to proxies that they receive, on proposals that will be presented at a shareholder meeting but are not included in the company's proxy materials.¹ Under a separate proposal, the SEC would modernize certain rules related to proxy solicitations to account for technological and other developments (the "Proxy Modernization Proposal" and, together with the 14a-8 Rescission Proposal, the "Proposals").²

The comment period will be open for a 60-day period ending on November 20, 2026.

OVERVIEW OF THE PROPOSALS

1. Rescission of Rule 14a-8

SUMMARY

The 14a-8 Rescission Proposal would end federal regulation as to when a shareholder proposal must be included in a company's proxy statement pursuant to Rule 14a-8³ on the basis that the rule exceeds the SEC's statutory authority under Section 14(a) of the Exchange Act and is not otherwise justified for policy reasons.

GROUND FOR RESCISSION

- **Lack of statutory authority.** Rule 14a-8 requires public companies to include certain shareholder proposals in their proxy materials unless (i) the proponents or proposals fail to meet specified procedural requirements or (ii) the proposals satisfy one of 13 substantive grounds for exclusion. The SEC explains that, in its early form, Rule 14a-8 was intended to facilitate shareholders' ability to submit shareholder proposals pursuant to State law and to consider and vote by proxy on those proposals. However, the SEC observes that the rule has evolved over time to function as federal common law as to what constitutes a proper subject for shareholder action.⁴

The SEC therefore proposes to rescind Rule 14a-8 in its entirety because it lacks authority under Section 14(a) to regulate the scope of matters presented to shareholders for a vote and, as a result, Rule 14a-8 improperly intrudes into State law without express authorization from Congress.⁵ Although Rule 14a-8 (and its predecessor rule) has been in place for over 80 years, the SEC states that "agencies may not add to their powers by adverse possession".⁶ The SEC considers the proper scope of its authority under Section 14(a) of the Exchange Act to be limited to (i) regulating the manner in which proxy solicitations are made, (ii) prohibiting false or misleading statements in a proxy solicitation and (iii) promulgating disclosure requirements that ensure that shareholders are adequately informed of the proposals on which they may vote under State law and the voting positions for which their proxies can be used.

- **Original policy justifications have not been substantiated in practice or are less compelling.** The SEC cites to a number of developments that call into question the policy rationale underlying Rule 14a-8, including that (i) the cost to companies to address and include Rule 14a-8 shareholder proposals in their proxy materials, estimated at \$25,000 to \$188,000 on average per proposal,⁷ is no longer small; (ii) the vast majority of Rule 14a-8 shareholder proposals do not receive majority shareholder support and are not supported by management; (iii) the volume of Rule 14a-8 shareholder proposals has increased significantly over time; (iv) State law has not developed as originally expected to make it clear which matters are proper to present to shareholders for a vote; and (v) independent solicitations may have become less burdensome due to technological and regulatory advancements, such as the availability of electronic social platforms⁸ and the SEC's existing e-proxy rules⁹.
- **Rule 14a-8 has had unintended adverse consequences.** The SEC states that (i) because excluding a Rule 14a-8 shareholder proposal can expose companies to litigation risk, proponents have used Rule 14a-8 to gain leverage in negotiations or to secure private benefits; (ii) in many cases, the interests advanced by shareholder proponents under Rule 14a-8 may not be shared by a company's shareholders at large (noting that in 2025, only seven percent of the 786 Rule 14a-8 shareholder proposals submitted received majority support); (iii) the Rule 14a-8 shareholder proposal framework is principally used by a disproportionately small number of proponents who advance substantially similar proposals across numerous companies (noting that in 2025, 10 proponents submitted 58 percent of all Rule 14a-8 proposals); (iv) Rule 14a-8 has forced the SEC to make judgments about matters that should be addressed by State legislatures, courts or individual companies; and (v) the presence of a federal shareholder proposal regime has inhibited the development of State law and private ordering with respect to such matters.

2. Amendments to Rule 14a-4

The SEC proposes amendments to Rule 14a-4(c) to expand a company's ability to exercise discretionary voting authority with respect to timely received shareholder proposals that are submitted outside of the Rule 14a-8 process.¹⁰ As amended, Rule 14a-4(c) would permit such exercise if the company includes:

- in its proxy statement, a brief description of the matter and how the company intends to vote through its exercise of discretionary authority; and
- on its proxy card:
 - a cross-reference to the location of this disclosure in the proxy statement; and
 - a box that, if checked by a shareholder, would prevent the company from exercising its voting discretion.

In contrast, under current Rule 14a-4(c), a company loses the ability to exercise discretionary voting authority for a shareholder proposal received outside of the Rule 14a-8 process if the proponent (i) notifies the company on a timely basis that it intends to solicit the requisite percentage of voting shares to carry the proposal; (ii) includes this statement in its own proxy materials; and (iii) provides evidence that it has conducted such solicitation. Under the current rules, when companies are unable to exercise discretionary voting authority for a shareholder proposal received outside of the Rule 14a-8 process, they may opt, even though not required, to include those shareholder proposals in their proxy materials in order to seek and exercise proxy voting authority from shareholders on that proposal.¹¹

The SEC states that the proposed adjustments to Rule 14a-4 would recalibrate these misaligned incentives by shifting the ability to prevent a company's use of discretionary voting authority from the proponent (in respect of all shareholders) to each shareholder (in respect of such shareholder only) via individual opt-out check boxes.¹² The SEC notes that although the amendments are sufficiently justified on a standalone basis, they are further warranted on the assumption that the rescission of Rule 14a-8 may result in more independent solicitations by shareholder proponents.¹³

3. Modernization of proxy solicitation rules

The Proxy Modernization Proposal would:

- **Eliminate the requirement to deliver annual reports to security holders for companies that have a Form 10-K on file.** The SEC acknowledges that annual reports to security holders, which are required to be delivered by companies as part of their annual meeting proxy materials, are largely duplicative of Form 10-Ks that are filed before the proxy statement in the ordinary course. Companies that continue to voluntarily send annual reports to shareholders would be required to furnish them on EDGAR.
- **Remove the obligation to disclose stock performance graphs set out in Item 201(e) of Regulation S-K.** The SEC generally¹⁴ deems the requirement to disclose a stock performance graph in a company's annual report to security holders to be outdated and unnecessary, citing feedback received in response to SEC Chairman Paul Atkins's call for Regulation S-K reform.¹⁵
- **Eliminate the requirement to send proxy statements to shareholders no later than 20 business days prior to the meeting date when using incorporation by reference.** The SEC considers this requirement obsolete, given the ready availability of all filings electronically free of charge. A corresponding amendment would be made to the prospectus delivery requirements under Form S-4 and Form F-4. However, notice and record date requirements under State law, stock exchange notification requirements, and the requirements for registrants relying on the notice-only provision under Rule 14a-16, would continue to apply.

- **Eliminate the requirement to submit notices of exempt solicitation.** Solicitations are exempt from the proxy rules if they are made by persons not seeking authority to act as proxy. Rule 14a-6(g) under the Exchange Act includes a public notice requirement for written solicitations by persons owning more than \$5 million of securities. The SEC states that notices of exempt solicitation no longer play a meaningful role in alerting shareholders and companies to exempt solicitations by large shareholders because submissions have in recent years been made predominantly by smaller shareholders on a voluntary basis, often in an effort to disseminate their views inexpensively and prominently on EDGAR. The SEC believes that these filings obscure mandatory reports, statements and disclosures available on companies' EDGAR pages and should be eliminated altogether to reduce investor confusion. The proposed amendment would formalize and expand upon a position published by the staff of the SEC's Division of Corporation Finance (the "SEC Staff") in January 2026 that it will object to voluntary submissions of notices of exempt solicitations.¹⁶
- **Shorten the minimum broker search period from 20 business days to five business days.** The SEC views the 20-business-day period as unwarranted given that searches can now be completed in as few as three days. The proposed amendment to Rule 14a-13 under the Exchange Act would formalize an SEC Staff position published in January 2026 that authorized searches to be completed in less than 20 business days before the record date, provided the company reasonably believes its proxy materials will be timely disseminated to shareholders.¹⁷
- **Require companies to include contact information on proxy statement cover pages.** This would align proxy statements with many other SEC filings, including registration statements and tender offer statements.

REGULATORY CONTEXT

The Proposals come as no surprise in light of signaling by Chairman Atkins and recent SEC Staff actions related to proxy process reform specifically and regulatory reform and modernization more generally.

1. **Tone at the top: Momentum for Rule 14a-8 reform has accelerated over the past year.** Chairman Atkins laid the groundwork for the 14a-8 Rescission Proposal in an October 2025 speech, in which he called for a "fundamental reassessment of Rule 14a-8".¹⁸ This was followed in December 2025 by an executive order from the U.S. President instructing Chairman Atkins to "consider revising or rescinding all rules [...] relating to shareholder proposals, including Rule 14a-8".¹⁹
2. **Staff action: The SEC Staff has already significantly stepped back from the Rule 14a-8 process.** The SEC's Division of Corporation Finance ("CorpFin") announced in November 2025 that it would not respond to Rule 14a-8 no-action requests, other than those made pursuant to Rule 14a-8(i)(1).²⁰ In August 2026, CorpFin further announced that it would discontinue responses to all Rule 14a-8 no-action requests effective immediately.²¹
3. **Regulatory repositioning: The SEC has sought to curb rules that stray from the fundamental principle of financial materiality or that unduly expand the SEC's mandate.** Chairman Atkins's critique of "shareholder proposals focused on environmental and social issues" as frequently involving issues that are "not material to the company's business"²² ties back to his broader view that "a focus on financial materiality means that [...] corporate governance standards, and other regulations [must be] aimed at interests of investors" rather than be based on "other non-financial factors".²³

The SEC's emphasis in the 14a-8 Rescission Proposal on retreating to the confines of its statutory authority²⁴ and avoiding acting as a merit regulator is also in line with the positions it recently took in its proposal to rescind its climate-related disclosure rules (stating that the rules "were a dramatic overreach of [its] statutory authority and, independently, unsound as a matter of policy"²⁵) and in its proposal in respect of registered offering reform (emphasizing that the SEC is not a merit regulator and proposing to eliminate regulatory criteria that go to the "quality" of an issuer²⁶).

4. **Regulatory modernization: *The SEC has consistently sought opportunities to modernize its rulebook.*** The Proxy Modernization Proposal's focus on modernizing obsolete requirements²⁷ was also a theme reflected in the SEC's recent proposals in respect of its filer status framework²⁸ and registered offering reform,²⁹ all of which trace back to Chairman Atkins's stated intention to eliminate "the burdensome and the impractical" from the SEC's rulebook.³⁰

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KEY PRACTICAL TAKEAWAYS

With respect to the upcoming 2027 proxy season

1. **Expect that Rule 14a-8 and other existing proxy rules will continue to apply.** Comments on the Proposals are due on November 20, 2026, and the SEC will need to subsequently consider what we expect to be a significant number of comments before final rules are adopted. It is therefore highly unlikely that final rules will be adopted and become effective in time to change the requirements applicable to the 2027 proxy season for calendar year-end companies. As a result, calendar year-end companies should proceed on the basis of the existing regulatory framework for the 2027 proxy season.
2. **Expect a potentially higher volume of shareholder proposals.** In light of the 14a-8 Rescission Proposal, proponents, particularly those who would not otherwise have the means or desire to carry out an independent proxy solicitation, may view the upcoming proxy

season as their last opportunity to take advantage of the comparatively low-cost shareholder proposal framework afforded by Rule 14a-8. Proponents may therefore be more likely to submit Rule 14a-8 shareholder proposals, including a new type of proposal designed to preserve access to a company's proxy materials for shareholder proposals.

For example, in August 2026, the National Legal and Policy Center submitted such a proposal to each of Microsoft³¹ and Procter & Gamble³² and has indicated that it may submit similar proposals to other companies for their upcoming shareholder meetings. Companies may also see higher levels of informal engagement from investors on these topics, particularly if the 14a-8 Rescission Proposal is adopted, as States step in and private ordering begins to develop.

3. **Expect and watch potential litigation of Rule 14a-8 shareholder proposal exclusions in the absence of CorpFin action and prior to the adoption of final rules with respect to the rescission of Rule 14a-8.** A few Rule 14a-8 shareholder proposal exclusions were challenged in court during the 2026 proxy season after CorpFin first withdrew from the no-action process. Having had more time to gather resources and organize their strategies, some proponents may be better prepared to launch legal challenges if their Rule 14a-8 shareholder proposals are excluded, particularly if this may be their last chance to submit a shareholder proposal under Rule 14a-8.

With respect to the 14a-8 Rescission Proposal

4. **Expect the 14a-8 Rescission Proposal to receive significant comments and to be challenged in court.** The 14a-8 Rescission Proposal would overhaul well-established market behavior. While the SEC states that Rule 14a-8's longevity is not a substitute for legal authority, it recognizes that the rule's long existence has shaped governance and engagement practices and that stakeholders may rely on the current framework as a primary engagement strategy to advance their priorities. The 14a-8 Rescission Proposal also acknowledges that the SEC has already received several rulemaking petitions requesting to preserve, or amend but largely

retain, Rule 14a-8.³³ It is likely that similar positions will be outlined in comments submitted in response to the 14a-8 Rescission Proposal and in legal challenges submitted in court if the proposal is adopted. Such challenges may delay the date of effectiveness of the 14a-8 Rescission Proposal.

If the 14a-8 Rescission Proposal is implemented

- 5. Expect a period of transition and uncertainty as stakeholders adapt to State-based requirements and/or private ordering.** Absent SEC involvement in the shareholder proposal process via Rule 14a-8, determinations as to which shareholder proposals are proper will become a function of State law or, if permitted by State law, companies' governing documents. While the SEC notes that it may take "several years" for new regimes to be enacted and market practice to settle,³⁴ we expect that States—particularly Delaware—will attempt to address the issue before the rescission takes effect.

Matters that are likely to be addressed or to otherwise develop during the transition period include:

- what will constitute a proper subject matter for shareholder proposals, including whether non-binding proposals will be deemed proper;
- which eligibility criteria, if any, will apply to proponents seeking to submit shareholder proposals;³⁵ and
- private ordering with respect to company governance practices and the extent to which companies incorporate a proposal proxy access right into their governing documents.

Resulting changes in State-level corporate law regimes may also be spurred by a recent trend of re-domiciliations by companies due to corporate governance considerations.³⁶ Additionally, the transition period could see some degree of State-level litigation in respect of individual shareholder proposals, particularly if the rescission takes effect and a company's State of incorporation has not acted to fill the gap.

- 6. Expect shareholder proponents to push their agendas through alternative channels.** Without the ability to submit Rule 14a-8 shareholder proposals, shareholders may shift engagement strategies to alternative channels such as director "vote no", withhold or other targeted public campaigns, opposition to say-on-pay proposals, floor proposals submitted under State law in accordance with a company's advance notice bylaw provisions, utilization of proxy access bylaw provisions for director elections or, for better resourced proponents, independent proxy solicitations. We also expect that companies will want to continue to engage with shareholders on important issues outside of these channels.

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NEXT STEPS

- 1. If you are a calendar year-end company, prepare for the upcoming proxy season to unfold under existing rules.** It is highly unlikely that the upcoming proxy season will be governed by a new regulatory framework arising from the 14a-8 Rescission Proposal. However, continue to be mindful of the SEC Staff's withdrawal from the Rule 14a-8 no-action review process.
- 2. Review State-level laws about shareholder proposals in your jurisdiction of incorporation and take a preliminary look at your governing documents but do not finalize or commit to amendments prematurely.** The relevance of any amendments to your governing documents will depend in part on what action, if any, your jurisdiction of incorporation will take to fill the gap left by the SEC if the 14a-8 Rescission Proposal is implemented.

How to fill this gap is already under discussion in Delaware³⁷ and we would expect to learn more about how Delaware and other States plan to address this in the coming months. We would also expect to see comment letters asking the SEC to have the effective date of any rescission of Rule 14a-8 take place with enough time to allow for such State action.

As a result, you should avoid taking premature action before the regulatory landscape stabilizes. We also note that even if the 14a-8 Rescission Proposal is adopted and your jurisdiction of incorporation fills the gap in a timely manner, it is likely that you will still need to make cleanup changes to your governing documents (for instance, to remove references to Rule 14a-8).

3. **Educate your board and your investor relations team and be ready to engage with stakeholders about the Proposals.** Whether or not you receive formal Rule 14a-8 shareholder proposals during the upcoming proxy season, the topic of the 14a-8 Rescission Proposal, how your jurisdiction of incorporation may react and how this may impact your governing documents is likely to be discussed during investor engagement. Ensure that your board and the relevant internal teams are

properly briefed so that communications with external parties remain coordinated.

4. **Consider how proxy process timelines might change if the Proxy Modernization Proposal is adopted.** For example, company secretarial teams should assess the feasibility of shortening broker searches and gauge the efficiencies that could be gained by eliminating the annual report to security holders.
5. **Consider participating in the comment process.** We encourage clients to share their views or relevant data with the SEC.

Cravath is available to assist clients with comment submissions, stakeholder engagement and board education, and we encourage clients to contact us for further guidance on SEC regulatory developments.

- 1 [“Rescission of Rule 14a-8’s Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4” \(2026\)](#), Release No. 34-106383, available at [Federal Register: Rescission of Rule 14a-8’s Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4](#).
- 2 [“Proxy Solicitation Modernization” \(2026\)](#), Release Nos. 33-11439 and 34-106385, available at [Federal Register: Proxy Solicitation Modernization](#).
- 3 The proxy rules currently cover two methods by which shareholders may present proposals to be voted on via proxy at a shareholder meeting. The first is the inclusion of the proposal in the company’s proxy materials in accordance with Rule 14a-8 (a “[Rule 14a-8 shareholder proposal](#)”), which is at issue in the 14a-8 Rescission Proposal. The second is the submission of a shareholder proposal to the company pursuant to the company’s governing documents with the proponent conducting its own proxy solicitation (referred to herein as an “[independent solicitation](#)”). The 14a-8 Rescission Proposal would only rescind the first of these two methods.
- 4 The SEC takes issue with the fact that the statutory grounds for exclusion are not derived from, and do not consistently track, State law frameworks. Most importantly, the SEC highlights that Rule 14a-8 includes an SEC-created presumption that precatory proposals are “proper subjects” for shareholder action under State law. See 14a-8 Rescission Proposal, “II.A.1.c. Rule 14a-8 Exceeds the Commission’s Authority Under Section 14(a)”.

Although Chairman Atkins has suggested, in line with other commentators, that Delaware law might, in fact, not grant a right for shareholders to vote on precatory proposals and that he has “high confidence” that the SEC Staff would support this position if a company sought to exclude a precatory proposal for not being a “proper subject” for shareholder action under Rule 14a-8(i)(1) and obtained an opinion of counsel to that effect, to date no company has tried to do so. See Keynote Address at the John L. Weinberg Center for Corporate Governance’s 25th Anniversary Gala, Chairman Paul S. Atkins (October 9, 2025), available at [SEC.gov | Keynote Address at the John L. Weinberg Center for Corporate Governance’s 25th Anniversary Gala](#) (“October 2025 Keynote Address”).
- 5 See 14a-8 Rescission Proposal, “I. Introduction”. The SEC notes that Congress has in some cases explicitly required shareholder votes, including advisory say-on-pay, say-on-frequency and golden parachute shareholder votes, but does not address the legal status of these other provisions in the 14a-8 Rescission Proposal. See 14a-8 Rescission Proposal, at footnote 28.
- 6 See 14a-8 Rescission Proposal, “II.A.1.d. Rule 14a-8 Should be Rescinded”.
- 7 The SEC notes that the surveys in respect of costs per proposal involve small samples of uncertain representativeness. For purposes of its own analysis, the SEC estimates costs savings from the proposed rescission of Rule 14a-8 of approximately \$49,000 per proposal. See 14a-8 Rescission Proposal, at footnote 353.
- 8 In discussing alternative channels of communication that will be available to shareholders that have been using Rule 14a-8 as an engagement tool, the SEC notes that informal exchanges with management are most effective when they involve shareholders with large stakes or groups of shareholders, but flags that shareholders with greater than five percent beneficial ownership may be deterred by the risk of loss of eligibility to report on Schedule 13G to the extent their engagement could constitute “changing or influencing control” under the SEC’s rules and interpretations. See Corporation Finance Interpretations, “Exchange Act Sections 13(d) and 13(g) and Regulation 13D-G Beneficial Ownership Reporting”, Questions 103.12 to 103.15, available at [SEC.gov | Exchange Act Sections 13\(d\) and 13\(g\) and Regulation 13D-G Beneficial Ownership Reporting](#).
- 9 This argument would be further supported if the default e-delivery system set out in the SEC’s recent e-delivery rule proposal is adopted. See Electronic Delivery of Information Under the Federal Securities Laws (2026), Release Nos. 33-11430 and 34-105921, available at [Federal Register: Electronic Delivery of Information Under the Federal Securities Laws](#).
- 10 Under current rules, a company may vote shares represented by proxies that it receives from shareholders in one of two ways. *First*, it can obtain direct voting authority for shareholder proposals that are included in its proxy statement and form of proxy. *Second*, it can seek discretionary voting authority for proposals omitted from its proxy materials under the limited circumstances set out in Rule 14a-4.
- 11 As explained in the 14a-8 Rescission Proposal, the likelihood of companies including shareholder proposals in their proxy materials even when not required appears to have increased in recent years following the SEC’s adoption of the universal proxy rules. More specifically, when conducting a proxy solicitation for a shareholder proposal submitted outside of the Rule 14a-8 process, a proponent can include the company’s director nominees on the proponent’s proxy card, even when the proponent does not present its own competing director nominees (referred to as a “zero slate campaign”). In these circumstances, if the company does not also include the proponent’s proposals on the company’s proxy card, shareholders may be more likely to use the proponent’s proxy card to vote their shares instead of the company’s proxy card, given that the proponent’s card would provide shareholders the ability to vote on both the company’s nominees and the proponent’s proposals. In contrast, under the 14a-8 Rescission Proposal, if the company’s card omits a shareholder proposal, the company would nevertheless retain discretionary voting authority to vote proxies it receives against that proposal (except in respect of proxy cards on which shareholders have checked the proposed opt-out check box).
- 12 As noted by the SEC, the result of the checking of the opt-out check box would be a non-vote by the shareholder in respect of any shareholder proposal. The opt-out check box would not provide a mechanism on the company’s proxy card for shareholders to affirmatively vote opposite management’s recommendation. Therefore, the only mechanism for a shareholder to vote on a proposal directly would be to attend the shareholder meeting and cast a ballot or, if the shareholder is solicited by the proponent, the shareholder could submit an explicit vote selection on the proponent’s own proxy card. See 14a-8 Rescission Proposal at footnotes 415 and 418.
- 13 The SEC has also proposed corresponding amendments to other provisions of the federal proxy rules to facilitate the implementation of the rescission of Rule 14a-8 and amendments to Rule 14a-4. For example, the SEC proposes replacing the current exemption from the requirement to file a preliminary proxy statement on account of inclusion of a Rule 14a-8 shareholder proposal with an exemption that would apply to the submission of any shareholder proposal, unless such shareholder proposal or the election of directors involves a “solicitation in opposition”. Per the 14a-8 Rescission Proposal, a “solicitation in opposition” would include any solicitation (other than a solicitation exempt under Rule 14a-2 under the Exchange Act): (i) subject to

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- Rule 14a-19 under the Exchange Act; (ii) to vote against or withhold votes from any of the registrant's director nominee(s); (iii) to vote against a proposal that the registrant expressly supports in its proxy materials; or (iv) to vote in support of a proposal that the registrant does not expressly support in its proxy materials.
- 14 The SEC is proposing to retain the obligation to disclose a stock performance graph for investment companies in order to maintain parity with other regulated funds, which are subject to similar performance graph requirements.
- 15 Statement on Reforming Regulation S-K, Chairman Paul S. Atkins (January 13, 2026), available at [SEC.gov | Statement on Reforming Regulation S-K](#).
- 16 Corporation Finance Interpretations, "Proxy Rules and Schedules 14A/14C", Question 126.06, available at [SEC.gov | Proxy Rules and Schedules 14A/14C](#). See also Questions 126.07 through 126.10.
- 17 Corporation Finance Interpretations, "Proxy Rules and Schedules 14A/14C", Question 133.02, available at [SEC.gov | Proxy Rules and Schedules 14A/14C](#). In the Proxy Modernization Proposal, the SEC notes that the response window allotted to brokers and dealers under the proxy rules is currently seven business days, which may require further alignment.
- 18 See October 2025 Keynote Address.
- 19 Executive Order No. 14366, "Protecting American Investors from Foreign-Owned and Politically-Motivated Proxy Advisors", (December 16, 2025), available at [Federal Register: Protecting American Investors From Foreign-Owned and Politically-Motivated Proxy Advisors](#). See also the U.S. administration's broader deregulatory mandate in Executive Order No. 14192, "Unleashing Prosperity Through Deregulation" (January 31, 2025), available at [Federal Register: Unleashing Prosperity Through Deregulation](#).
- 20 Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process for the Current Proxy Season, Division of Corporation Finance (November 17, 2025), available at [SEC.gov | Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process for the Current Proxy Season](#). Rule 14a-8(i)(1) permits exclusion of proposals that are "improper under state law".
- 21 Updated Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process, Division of Corporation Finance (August 14, 2026), available at [SEC.gov | Updated Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process](#).
- 22 See October 2025 Keynote Address. See also, A Proposal on Proposals: Remarks on the Proposals to Rescind Rule 14a-8 and Modernize Proxy Solicitation Rules, Commissioner Hester M. Peirce (September 16, 2026), available at [SEC.gov | A Proposal on Proposals: Remarks on the Proposals to Rescind Rule 14a-8 and Modernize Proxy Solicitation Rules](#).
- 23 Keynote Address at the Inaugural OECD Roundtable on Global Financial Markets, Chairman Paul S. Atkins (September 10, 2025), available at [SEC.gov | Keynote Address at the Inaugural OECD Roundtable on Global Financial Markets](#).
- 24 See also, Statement on Proposals to Rescind Rule 14a-8, Amend Rule 14a-4, and Modernize Proxy Solicitation, Chairman Paul S. Atkins (September 16, 2026), available at [SEC.gov | Statement on Proposals to Rescind Rule 14a-8, Amend Rule 14a-4, and Modernize Proxy Solicitation](#).
- 25 "Rescission of Climate-Related Disclosure Rules" (2026), Release Nos. 33-11421; 34-105572, available at [Proposed withdrawal of final rules: Rescission of Climate-Related Disclosure Rules](#).
- 26 "Registered Offering Reform" (2026), Release Nos. 33-11418; 34-105513, available at [Federal Register: Registered Offering Reform](#); see, e.g., footnote 199.
- 27 See also, Statement on Proposals to Rescind Rule 14a-8, Amend Rule 14a-4, and Modernize Proxy Solicitation, Chairman Paul S. Atkins (September 16, 2026), available at [SEC.gov | Statement on Proposals to Rescind Rule 14a-8, Amend Rule 14a-4, and Modernize Proxy Solicitation](#) ("Atkins Statement on Proxy Rules Reform").
- 28 "Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies" (2026), Release Nos. 33-11419; 34-105515, available at [Federal Register: Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies](#).
- 29 "Registered Offering Reform" (2026), Release Nos. 33-11418; 34-105513, available at [Federal Register: Registered Offering Reform](#).
- 30 Prepared Remarks Before SEC Speaks, Chairman Paul S. Atkins (March 19, 2026), available at [SEC.gov | Prepared Remarks Before SEC Speaks](#): "So, against that backdrop, every initiative toward which the SEC is working—every rule that we propose, every interpretation that we release, and every institutional reform that we undertake—largely falls into one of three categories: Those that advance our rules to align with how markets operate today. Those that clarify our regulatory regime to streamline oversight and unlock innovation. And those that transform our requirements by eliminating both the burdensome and the impractical. Together, the three pillars of advance – A, clarify – C, transform – T, form one integrated policy agenda that I am calling our 'A-C-T' strategy."
- 31 See "Preservation of Shareholder Proposal Access Rights", available at [Microsoft-Proposal-2027](#). This resulted in a negotiated agreement, available at [MSFT-NLPC-Agreement-Aug-25-2026.pdf](#), pursuant to which Microsoft undertakes to "apply the submission and resubmission eligibility requirements of Rule 14a-8 as in effect on January 1, 2026", for shareholder proposals submitted for Microsoft's 2027 Annual Meeting of Shareholders. Microsoft's fiscal year ends on June 30 and it typically holds its annual meetings of shareholders in December, so the 2027 Annual Meeting of Shareholders is expected to take place in December 2027.
- 32 See Proxy Statement including "Shareholder proposal requesting policy on eligibility thresholds for proponents of shareholder proposals", available at [Proxy Statement filed on August 28, 2026](#). The related annual meeting of shareholders will be held on October 13, 2026. This is analogous to various shareholder proposals requesting that companies adopt proxy access rights for shareholder nominees in their organizational documents after Rule 14a-

11 under the Exchange Act (which had mandated that qualifying shareholders' director nominees be included in company's proxy materials) was vacated in 2011.

33 See 14a-8 Rescission Proposal, at footnote 27.

34 See 14a-8 Rescission Proposal, "IV.C.1.b.ii. Costs to non-proponent shareholders – Transition costs".

35 Among other parameters, Rule 14a-8 requires proponents (i) to have continuously held:

(a) at least \$2,000 in market value of the company's securities entitled to vote on the proposal for at least three years; or

(b) at least \$15,000 in market value of the company's securities entitled to vote on the proposal for at least two years; or

(c) at least \$25,000 in market value of the company's securities entitled to vote on the proposal for at least one year; and

(ii) to provide the company with a written statement that it intends to continue to hold the requisite amount of securities through the date of the shareholders' meeting for which the proposal is submitted.

If Rule 14a-8 is rescinded, States may be more likely to develop their own eligibility criteria, which could be more stringent. The 14a-8 Rescission Proposal cites one existing State law example: Texas Bus. Orgs. Code Ann. section 21.373 sets out the following minimum proponent criteria in respect of companies that make an affirmative election to be governed by this provision: "(e) Except as provided by Subsection (f) and subject to the corporation's governing documents, to submit a proposal on a matter to the shareholders for approval at a meeting of shareholders, a shareholder or group of shareholders must: (i) hold an amount of voting shares of the corporation, determined as of the date of submission of the proposal, equal to at least: (A) \$1 million in market value; or (B) three percent of the corporation's voting shares; (2) hold the shares described by Subdivision (1): (A) for a continuous period of at least six months before the date of the meeting; and (B) throughout the entire duration of the meeting; and (3) solicit the holders of shares representing at least 67 percent of the voting power of shares entitled to vote on the proposal", available at [Texas Constitution and Statutes](#).

Investors have begun reacting to Section 21.373. For example, in 2025, following Tesla's re-domiciliation to Texas, the company received two separate shareholder proposals seeking to require shareholder approval for any bylaw amendment to opt into section 21.373. The proposals did not receive majority support. See Proxy Statement including "Shareholder proposal to amend Article X of the Bylaws" and "Shareholder proposal to seek shareholder approval before adopting an amendment to the bylaws pursuant to Section 21.373 of the TBOC", available at [Proxy Statement filed on September 17, 2025](#).

36 Chairman Atkins referred to the current "exciting period of increased competition among states for corporate domicile", see Atkins Statement on Proxy Rules Reform.

37 See, e.g., "Statement of the Council of the Corporation Law Section of the Delaware State Bar Association" (September 18, 2026), available at [Delaware State Bar Association – The official website of the Delaware State Bar Association](#).

NEW YORK

John W. White
+1-212-474-1732
jwhite@cravath.com

Ting S. Chen
+1-212-474-1794
tchen@cravath.com

Aaron M. Gruber
+1-212-474-1456
agruber@cravath.com

G.J. Ligelis Jr.
+1-212-474-1892
gligelisjr@cravath.com

Daniel J. Cerqueira
+1-212-474-1156
dcerqueira@cravath.com

Andrew M. Wark
+1-212-474-1592
awark@cravath.com

William D. Podurgiel
+1-212-474-1628
wpodurgiel@cravath.com

Zachary R. Smith
+1-212-474-1361
zsmith@cravath.com

LONDON

Virginie Marier
+44-20-7453-1056
vmarier@cravath.com

WASHINGTON, D.C.

Lisa M. Kohl
+1-202-869-7722
lkohl@cravath.com

CRAVATH, SWAINE & MOORE LLP**NEW YORK**

Two Manhattan West
375 Ninth Avenue
New York, NY 10001
+1-212-474-1000

LONDON

100 Cheapside
London EC2V 6DT
+44-20-7453-1000

WASHINGTON, D.C.

1601 K Street NW
Washington, D.C. 20006-1682
+1-202-869-7700